

MINUTES
SPECIAL MEETING
POLICY DEVELOPMENT SESSION

FEBRUARY 25, 2004

A special meeting of the City Council of the City of Rolling Hills Estates was called to order at 12:30 p.m. at the Norris Pavilion, 501 Indian Peak, by MAYOR MITCHELL.

ROLL CALL

City Council Members Present: Addleman, Mitchell, Seamans, Zerunyan, Zuckerman

*COUNCILWOMAN SEAMANS arrived at 2:04 p.m.

City Staff Present: City Manager Doug Prichard

Assistant City Manager Sam Wise

Planning Director David Wahba

Community Services Director Andy Clark

Finance Director Jud Norrell

PUBLIC COMMENT

Tom Judge, 28 Rollingwood, distributed information that incorporated the other Peninsula cities' policies on speed humps in addition to what he submitted prior to this meeting. Additionally, he requested an amendment be made to the Municipal Code addressing view obstruction.

It was the consensus of the COUNCIL to take *Traffic Calming Policy and Projects out of order under the Assistant City Manager's Program*.

Traffic Calming Policy and Projects

Assistant City Manager Wise provided a brief staff report (as per agenda material).

Lengthy discussion ensued regarding how a survey should be conducted.

COUNCILMAN ZERUNYAN noted his strong belief that the burden should lie with the homeowners' association and suggested a minimum response threshold be established to constitute a valid sampling of the neighborhood.

MAYOR MITCHELL inquired as to what would trigger an inquiry if a neighborhood wants speed humps.

City Manager Prichard noted that it would be appropriate that, if the neighborhood has an active homeowners' association, an action of the HOA Board should be required in order to consider speed humps. Assistant City Manager Wise noted that this type of inquiry would then be referred to the Traffic and Safety Committee for review and recommendation.

After further discussion, COUNCILMAN ZUCKERMAN moved, seconded by COUNCILMAN ZERUNYAN

TO REFER INITIAL SPEED HUMP REQUESTS TO ACTIVE HOMEOWNERS' ASSOCIATIONS THE CITY HAS ON RECORD AND THEN CONDUCT FURTHER ANALYSIS ONLY UPON A FORMAL

REQUEST COMING FROM THE HOMEOWNERS' ASSOCIATION BOARD.

It was the consensus of the COUNCIL to follow this approach.

Brief discussion ensued regarding the process to be followed if there is not an active homeowners' association. It was suggested that a study could be undertaken if a request is made by 10% of the neighborhood.

It was the consensus of the COUNCIL to follow this approach.

COUNCILMAN ZUCKERMAN moved, seconded by MAYOR MITCHELL

TO ADOPT A POLICY REQUIRING ANY FUTURE BALLOTS SEEKING PUBLIC INPUT ON THE TOPIC OF THE NEED, PREFERENCE AND LOCATION OF SUGGESTED SPEED HUMPS TO BE MAILED OUT AND COUNTED BY THE CITY.

THERE BEING NO OBJECTION, MAYOR MITCHELL SO ORDERED.

Discussion continued regarding what constitutes an "affected area." It was the consensus of the COUNCIL to refer this item to the Traffic and Safety Committee to provide a recommendation to COUNCIL on a case by case basis, with the presumption that COUNCIL would prefer creating a broad, rather than narrow, definition of "affected area" in each case.

It was the consensus of the COUNCIL to adopt a policy requiring "50% plus one" of all ballots sent out to be returned in order to constitute a valid survey and requiring 67% of those ballots returned to be in favor of speed humps in order to bring the matter before COUNCIL.

Discussion continued with COUNCILMAN ZUCKERMAN suggesting that the City might want to consider establishing a budget for future speed hump inquiries similar to the entryway beautification program.

City Manager Prichard suggested placing a disclaimer in the ballot itself to read: "if funding is available." It was the consensus of the COUNCIL to fund speed humps only if the budget allows.

In regards to the Rollingwood area, it was the consensus of the COUNCIL to send a ballot to everyone in that entire neighborhood. It was noted that this matter could be referred to the Traffic & Safety Committee, if necessary.

Policy Discussion for Second-Story Additions/View Impacts

Planning Director Wahba provided a brief staff report (as per agenda material). He stated that the City's policy of considering each view impact matter on a case-by-case basis is working well.

It was noted by the COUNCIL that flexibility and discretion would be appropriate as views are subjective depending on the home. Additionally, it was stated that very few of these types of cases are brought before the COUNCIL.

MAYOR PRO TEM ADDLEMAN referred to the second-story additions and how they could affect views.

MAYOR MITCHELL strongly urged each MEMBER of the COUNCIL and Planning Commission to visit the homes of residents who may be affected by a potential view impairment.

MAYOR PRO TEM ADDLEMAN and MAYOR MITCHELL suggested continuing any item with a view impact until all COUNCIL MEMBERS or Commissioners have visited the site and suggested that those who may not have visited a particular project site should consider recusing themselves from voting.

It was the consensus of the COUNCIL to encourage staff and the Planning Commission to continue to undertake thorough review of view impacts in neighborhoods with known view corridors.

Private Vegetation/View Guidelines

Community Services Director Clark provided a staff report (as per agenda material).

Brief discussion ensued where it was the consensus of the COUNCIL to include in the guidelines utilization of a mediator as an alternative to remedy a sensitive situation.

State-of-the-City Report

There being no inquiries, the COUNCIL moved on to the Finance Department.

General Fund Operating Surpluses/Fund Balance Policy

City Manager Prichard reported that he met with staff, the City's Auditor and the Audit Subcommittee consisting of MAYOR PRO TEM ADDLEMAN and COUNCILMAN ZUCKERMAN to review policies for calculating the annual operating surplus and providing for the use of existing fund balances.

Finance Director Norrell noted several suggestions were made and incorporated into his report. He described the reserve designations in question which included the PERS Rate Stabilization, insurance, and State budget reserve.

COUNCILMAN ZUCKERMAN noted his concern with how the City's surplus is defined as there are many one-time costs associated with multi-year benefit projects that should not be considered either operating expenditures or capital projects, and explained the recommendation for the creation of a special projects classification to address these types of expenditures.

At Finance Director Norrell's suggestion, it was noted he will place additional disclosures in the budget document stating what the components are for the operating results for the year. It was also noted that the fund balance policy statement will continue to be presented to COUNCIL each year with the adoption of the budget.

It was the consensus of the COUNCIL to approve the recommendations of the Audit Committee.

Budget Direction for Balance of Fiscal Year

Finance Director Norrell noted that the State budget contingency designation, which was created but not funded at July 1, 2003, was funded in the amount of \$100,000 by administrative action at the close of the field audit in September of 2003, and subsequently reviewed by the Audit Committee and COUNCIL. With better information on the actions of the State and the performance of the PERS portfolio, he noted it is recommended that an additional \$100,000 be transferred from the PERS Rate Stabilization fund and placed into the State contingency fund bringing the total designated for this fund to \$200,000.

COUNCILMAN ZUCKERMAN moved, seconded by COUNCILWOMAN SEAMANS

TO TRANSFER \$100,000 OF THE PERS RATE STABILIZATION FUND TO THE STATE CONTINGENCY FUND.

AYES: Addleman, Mitchell, Seamans, Zerunyan, Zuckerman

Discussion ensued regarding a general policy of considering program cuts or the use of existing fund balance to make up an expected deficit. It was the consensus of the COUNCIL to utilize the fund balance in times of unique fiscal circumstances, such as currently exist, to continue to fund existing levels of service. However, a note of caution was stated, with the COUNCIL consensus being not to rely on utilization of fund balance on an on-going basis except in those designations established by policy for such purposes.

City Manager Prichard noted that where there might be a potential for a deficit, as there is this year, it is incumbent upon the management to bring this matter to the COUNCIL'S attention for direction. Additionally, he noted that many items are handled administratively, and when this occurs, the COUNCIL will be advised.

After further discussion, it was the consensus of the COUNCIL to be advised in the City Manager's weekly memorandum of all items of note which might be considered to be eliminated due to budget constraints as they come up during the fiscal year.

It was the consensus of the COUNCIL to consider the annual budget as a flexible roadmap for the fiscal year rather than a rigid document that is unable to change throughout the year.

Medians on Silver Spur

Discussion ensued regarding the COUNCIL'S desire for flowers in the medians on Silver Spur Road. City Manager Prichard explained the delay in undertaking the second planting of the fiscal year, noting the cost, the timing, the expected life of the flowers and the State raid on VLF as contributing factors to the decision to delay planting.

COUNCILMAN ZUCKERMAN suggested planting begonias until such time as the funding situation improves.

Community Services Director Clark was directed to have flowers planted in the median noses as soon as possible, with begonias planted in the monument sign beds.

Community Services Director Clark then reported on the median lighting, noting the difficulty with the existing units, and recommending a replacement unit at lower cost with greater durability.

COUNCILWOMAN SEAMANS moved, seconded by MAYOR PRO TEM ADDLEMAN

TO REPLACE THE SILVER SPUR MEDIAN LIGHTING WITH THE RECOMMENDED LIGHT BULBS AS THEY BURN OUT AND INCLUDE THIS ITEM IN THE ONGOING MEDIAN MAINTENANCE PROGRAM.

THERE BEING NO OBJECTION, MAYOR MITCHELL SO ORDERED.

Discussion continued regarding vehicle replacements where it was noted to continue with the practice of extending the useful life of all City vehicles where practical, until such time as the potential cost of on-going maintenance becomes excessive.

Brief discussion ensued regarding the "buy American" policy. It was noted that when a vehicle comes due for replacement, a flexible buying plan would be considered.

Revenue Enhancements

City Manager Prichard provided a brief report (as per agenda material).

After brief discussion, it was the consensus of the COUNCIL to send out Requests for Proposals for qualified consultants to assist in revenue enhancement evaluations, which would include review of existing sources, the potential for new sources and Proposition 218 requirements.

Additional Contract Work for Completion of the Downtown Master Plan and the *Housing Element Revision (including Revisions to the Second Dwelling Ordinance)*

Planning Director Wahba provided a staff report (as per agenda material). He noted that this would effectively complete Mr. Polyzoides' contract with the City once the draft form-based code has been submitted. He then noted that current applicants are anxious to move their projects forward, but seem to be apprehensive as to how to proceed due to the uncertainty of the proposed master plan. Additionally, he noted that some of those projects may require a General Plan amendment. It was suggested that the specific plan concept be suspended so as to allow the Planning Department to streamline the planning process on other cases.

Planning Director Wahba noted that a specific plan has many more requirements and might prevent the property owners from being as creative as they might be with the master plan. He indicated that an

environmental analysis will make it easier for other businesses to be included in the process as well as to be able to amend the zone text.

In regards to the Housing Element, it was noted that there is \$10,000 in the budget to complete this work.

Jack Wong, Consultant, noted that a quasi-specific plan could be achieved without going through the entire process, and that the cost of this work could be charged back to the developer. He commented that Mr. Polyzoides' vision is a valid one and could be considered with overlays tailored to the City. He then provided a background of his extensive experience with housing and development issues with the City of Monterey Park, SCAG, and League of California Cities. He also noted his prior volunteer service to the City as a member of the Economic Development Commission.

Discussion continued with Mr. Wong indicating that the business community is anxious to begin and that he would be willing to take on this responsibility immediately.

In response to MAYOR MITCHELL'S inquiry, Mr. Wong noted that it would make sense to proceed with the General Plan and zoning amendments in tandem with the existing overlay concept to develop mixed use standards. Additionally, he stated that the specific plan concept could be deferred for at least a year to see what happens in the interim with the master plan.

City Manager Prichard commented that once the form-based code is received, he believed there would be a need for professional assistance of the type Mr. Wong can provide.

COUNCILMAN ZUCKERMAN noted that the General Plan states that the City will make an attempt to provide general goods and services to the surrounding communities, but that Mr. Polyzoides' vision may create a situation that does not support these services in certain critical areas of the commercial district.

MAYOR PRO TEM ADDLEMAN moved, seconded by COUNCILWOMAN SEAMANS

TO DIRECT staff to bring back a SCOPE OF SERVICE AND CONTRACT with MR. Wong, ALONG WITH A REQUEST FOR A BUDGET ADJUSTMENT, for Council review and APPROVAL.

THERE BEING NO OBJECTION, MAYOR MITCHELL SO ORDERED.

Sheriff's Department Work Program

City Manager Prichard provided a brief staff report (as per agenda material). He noted that rumors have been circulating regarding budget cutbacks at the Sheriff's department, including closing down certain sheriff stations, and will speak with Captain Zuanich to obtain accurate information.

Additionally, MAYOR PRO TEM ADDLEMAN addressed the rumor of the South Coast Botanic Garden being closed down and noted that he had spoken to Supervisor Don Knabe where he was advised that this would be a worst case scenario which does not seem to be in danger of happening at this time.

Discussion ensued regarding the County's proposed one-half cent sales tax designated to increase public safety funding.

Discussion continued regarding the CORE Deputy program and the Student and the Law classes.

It was the consensus of the COUNCIL to defer any decision on these items until the budget has been considered for the next fiscal year.

City Attorney Contract

City Manager Prichard provided a brief staff report (as per agenda material).

Following brief discussion, it was the consensus of the COUNCIL to appoint MAYOR MITCHELL and MAYOR PRO TEM ADDLEMAN to meet with City Attorney Terzian in order to discuss the City's current

arrangement with his office and report back to COUNCIL for further direction.

California Water Service Project

Assistant City Manager Wise provided a staff report (as per agenda material).

Discussion ensued regarding where the demand is coming from, traffic concerns, golf course impact, evaluation costs, and retention of a consultant to study these impacts.

It was the consensus of the COUNCIL to direct staff to explore what type of expertise is required to assist the City in review of these issues and bring back a recommendation to COUNCIL.

Palos Verdes Drive North Underground Utility District

Assistant City Manager Wise provided a brief staff report (as per agenda material).

MAYOR MITCHELL inquired if Cal-Water can proceed with their project without City approval. City Manager Prichard indicated that the franchise agreement gives them the right to work in the rights-of-way, but the City has the ability to control work hours, location of the trenches, etc., so as to minimize inconvenience to the public.

Brief discussion ensued regarding coordination of the Cal-Water project with the previously abandoned Palos Verdes Drive North underground utilities project. COUNCIL noted that the project had been abandoned due to the substantial increase in the number of crossings required by SCE's design, and the inconvenience this would cause to the motoring public, along with the high cost of the City's required general fund contribution. It was also noted that with Scott Gobble's recent assurance that no funds would be required from the City, it may be possible to revisit this project.

Following discussion, it was the consensus of the COUNCIL not to move forward with the Palos Verdes Drive North Underground Utility District unless it can be fully coordinated with the California Water Service Project.

Assistant City Manager Wise noted that SCE requested the City review pole access agreements. He stated he is investigating this matter and will report back to COUNCIL, if necessary.

Chandler Reuse Project Policies

Planning Director Wahba provided a staff report (as per agenda material) and noted a number of policy issues for consideration.

COUNCILWOMAN SEAMANS reported on behalf of the subcommittee. She noted that the developable area for the proposed homes would be in the City of Torrance and that the City may have to negotiate a boundary adjustment to bring that area into Rolling Hills Estates.

Discussion ensued regarding density of the proposed homes. After brief discussion, it was the consensus of the COUNCIL to explore the possibility of including guest homes or "casitas" into the plan and incorporate COUNCILWOMAN SEAMANS' suggestion to include a horse trail and walking path around the site as it abuts the Chandler Preserve.

The balance of policy issues were generally considered by COUNCIL to be open for discussion for workable solutions as the project moves forward.

"First Look" at Major Projects

Planning Director Wahba provided a staff report (as per agenda material).

It was the consensus of the COUNCIL to continue the recently adopted "first look" process of utilizing subcommittees to review high profile projects prior to filing of a formal application.

MAYOR PRO TEM ADDLEMAN reported that he will be meeting with Mr. Butcher to discuss his property in the following week.

COUNCILMAN ZERUNYAN indicated his interest in the ultimate use of this property.

Discussion ensued with MAYOR PRO TEM ADDLEMAN, COUNCILWOMAN SEAMANS and COUNCILMAN ZERUNYN expressing their interest to serve on the Butcher Property subcommittee.

COUNCILWOMAN SEAMANS she noted she is adamant that the small canyon area remain as is since it is part of the larger George F Canyon water shed.

MAYOR MITCHELL appointed MAYOR PRO TEM ADDLEMAN and COUNCILWOMAN SEAMANS, with COUNCILMAN ZERUNYAN serving as alternate, to the subcommittee and deferred discussion to a later date.

Palos Verdes Peninsula Land Conservancy Issues

Community Services Director Clark provided a brief staff report (as per agenda material).

COUNCILMAN ZERUNYAN indicated his preference to create a community meeting room at the City-owned the buildings at Palos Verdes Drive North and Palos Verdes Drive East. He noted that local community and recreation groups could utilize such a facility and may be amenable to refurbishing this site at no cost to the City. Following discussion, it was the consensus of the COUNCIL to have the committee reviewing this site consider this alternative.

Community Services Director Clark noted that he has received a proposal from the Land Conservancy to restate and adjust the City/Land Conservancy relationship on a number of projects. It was the consensus of the COUNCIL that staff be directed to bring back a contract for COUNCIL review.

Sewer and Storm Drain Maintenance

Assistant City Manager Wise provided a brief staff report (as per agenda material). He noted that the City continues to be proactive on this matter and that no COUNCIL action is needed at this time.

Wildlife Issues

It was the consensus of the COUNCIL to defer this item to the Homeowners' Association Presidents meeting.

Emergency Preparedness

Assistant City Manager Wise reported that the City has already submitted a request for funding to meet the new federal mandates, and indicated that there may be an opportunity for the Peninsula cities to join together.

COUNCILMAN ZERUNYAN suggested having representatives from the cities on the hill meet in an effort to form a Peninsula-wide emergency program.

It was noted that MAYOR MITCHELL will discuss this item at the Peninsula Mayor's luncheon, as well as City Manager Prichard doing the same at the Peninsula City Manager's luncheon to determine their interest.

Needs and Resources Survey

Assistant City Manager Wise noted that COUNCIL may comment and contact City Hall if there are any questions.

It was the consensus of the COUNCIL to approve this survey.

Trash Franchise

Assistant City Manager Wise noted that a recommendation from the Trash Franchise Ad Hoc Committee regarding the retention of a consultant would be forthcoming soon.

Council Items

COUNCILWOMAN SEAMANS inquired as to the increased cost of Cox Cable services. Assistant City Manager Wise noted he will direct Administrative Analyst Grammer to investigate this further and discuss this matter with the City Attorney.

It was the consensus of the COUNCIL to defer the remaining items to a future meeting.

ADJOURNMENT

At 6:10 p.m., MAYOR MITCHELL formally adjourned the City Council meeting to Tuesday, March 9, 2004 at 7:30 p.m.

Submitted by, Approved by,

Hope J. Nolan Douglas R. Prichard

Deputy City Clerk City Manager